

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS HARARE 000702

SIPDIS

SENSITIVE

STATE FOR AF/S  
NSC FOR SENIOR AFRICA DIRECTOR JFRAZER  
USDOC FOR AMANDA HILLIGAS  
TREASURY FOR OREN WYCHE-SHAW  
PASS USTR FLORIZELLE LISER  
STATE PASS USAID FOR MARJORIE COPSON

[E](#). O. 12958: N/A

TAGS: [ECON](#) [EINV](#) [PGOV](#) [ZI](#)

SUBJECT: GOZ Forex Crusade Snags Finance Minister

Ref: 03 Harare 2140

[1](#)1. (SBU) Summary: With the detention of Finance Minister Chris Kuruneri over the weekend, the GOZ's witch hunt against foreign exchange externalizers reached a new level. Kuruneri is the GOZ's latest pretext for blaming the country's economic demise on parallel market trading and foreign accounts, rather than its own policies. End Summary.

[1](#)2. (SBU) For over a month, the South African Sunday Times has been embarrassing the GOZ by reporting of Kuruneri's new 8-bedroom R\$ 30 million beachfront Cape Town getaway. This has put the Finance Minister in the surreal position of defending himself against a repressive Foreign Exchange Control Act that his ministry helped create, but that he - and nearly every affluent Zimbabwean - has violated. Ostensibly, the GOZ is charging Kuruneri not because he acquired millions of U.S. dollars through graft, bribe or other corruption, but because he invested in a foreign country without subjecting funds to official exchange. Underscoring the heavy-handed nature of the weekend imprisonment, the GOZ is also charging Kuruneri with the benign offense of possessing a Canadian passport. (GOZ law does not recognize dual nationality.)

[1](#)3. (SBU) Comment: We are concerned about the selective enforcement of the Foreign Exchange Control Act. Using it to bring down one of many allegedly corrupt ministers does not make the legislation or the GOZ's tactics less repressive. If Kuruneri deserves sanction or prosecution, it is probably for graft and abuse of privilege rather than foreign investment. While nearly every Zimbabwean motorist relied on black market fuel last year, the Government similarly imprisoned political enemies for purchasing fuel outside official (at the time, nonexistent) channels. By GOZ cabinet standards, Kuruneri was a relative moderate who even spoke out publicly last year against a proposal from hard-line Agricultural Minister Joseph Made (ref). Now he is the latest victim in the GOZ's clumsy attempt to demonstrate that forex speculation destroyed the economy and that the Government is weeding out corruption.

Sullivan